

**The TriZetto Group, Inc.**  
**Consolidated Statements of Operations**  
(unaudited and in thousands, except per share amounts)

	Three Months Ended December 31,	
	2002	2001
<b>Revenues</b>		
Recurring revenue	\$ 38,259	\$ 39,643
Non-recurring revenue	31,814	21,955
<b>Total revenues</b>	<u>70,073</u>	<u>61,598</u>
<b>Cost of revenues</b>		
Recurring revenue	29,621	27,148
Non-recurring revenue	17,486	11,586
<b>Total cost of revenues</b>	<u>47,107</u>	<u>38,734</u>
<b>Gross profit</b>	22,966	22,864
<b>Operating expenses</b>		
Research and development	5,471	3,070
Selling, general and administrative	12,702	13,367
Amortization of acquisition intangible assets	7,187	17,440
Restructuring and related impairment charges	172	12,140
Impairment of goodwill and other intangible assets	131,019	-
<b>Total operating expenses</b>	<u>156,551</u>	<u>46,017</u>
<b>Loss from operations</b>	(133,585)	(23,153)
Interest income	356	375
Interest expense	(388)	(353)
<b>Loss before (provision for) benefit from income taxes</b>	(133,617)	(23,131)
(Provision for) benefit from income taxes	(2,976)	6,496
<b>Net loss</b>	<u>\$ (136,593)</u>	<u>\$ (16,635)</u>
<b>Net loss per share:</b>		
Basic and diluted	<u>\$ (3.00)</u>	<u>\$ (0.38)</u>
<b>Weighted average shares outstanding:</b>		
Basic and diluted	<u>45,574</u>	<u>43,834</u>
<b>Other financial data:</b>		
Pro forma net income (a)	\$ 5,792	\$ 7,140
EBITDA (b)	\$ 9,834	\$ 9,173
12-month backlog (c)	\$ 178,000	\$ 175,000
Total backlog (d)	\$ 588,000	\$ 623,000

See footnote definitions on following page.

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- (a) The Company defines pro forma net income as earnings before amortization of acquisition intangibles and deferred stock compensation, restructuring and related impairment charges, impairment of goodwill and identified intangibles charges, and related taxes. Other companies may calculate pro forma earnings differently. Pro forma earnings is a non-GAAP measure of profitability. Pro forma net income should not be considered in isolation or as an alternative to net income or to cash flows from operating activities (as determined in accordance with generally accepted accounting principles) and should not be construed as an indicator of operating performance or as a measure of liquidity.

	<b>Three Months Ended December 31,</b>	
	<b>2002</b>	<b>2001</b>
Reconciliation of net loss to pro forma net income:		
Net loss	\$ (136,593)	\$ (16,635)
Amortization of acquisition intangibles and deferred stock compensation	8,289	18,172
Restructuring and related impairment charges	172	12,140
Impairment of goodwill and other intangible assets	131,019	-
Provision for/(benefit from) income taxes	2,976	(6,496)
Pro forma pre tax income	5,863	7,181
Pro forma income tax provision	71	41
Pro forma net income	\$ 5,792	\$ 7,140
 Pro forma net income per share:		
Basic	\$ 0.13	\$ 0.16
Diluted	\$ 0.12	\$ 0.16
 Pro forma weighted average shares outstanding:		
Basic	45,574	43,834
Diluted	46,537	45,577

- (b) The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization, restructuring and related impairment charges, amortization of deferred stock compensation and impairment of goodwill and other intangible assets. Total depreciation, amortization, restructuring and related impairment charges and impairment of goodwill and other intangible assets for the three months ended December 31, 2002 and 2001, were \$143,419 and \$32,326, respectively. Other companies may calculate EBITDA differently. EBITDA is a non-GAAP measure of profitability and is a widely accepted financial indicator of a company's ability to service debt. EBITDA should not be considered in isolation or as an alternative to net income or to cash flows from operating activities (as determined in accordance with generally accepted accounting principles) and should not be construed as an indicator of operating performance or as a measure of liquidity.
- (c) The Company defines 12-month backlog as minimum recurring revenue and non-recurring software licenses from existing contracts to be recognized over the next 12 months.
- (d) The Company defines total backlog as total revenue not yet recognized from recurring revenue and non-recurring software licenses from existing contracts.

**The TriZetto Group, Inc.**  
**Consolidated Statements of Operations**  
**EBITDA Presentation**  
(unaudited and in thousands, except per share amounts)

	<b>Three Months Ended December 31,</b>	
	<b>2002</b>	<b>2001</b>
<b>Revenues</b>		
Recurring revenue	\$ 38,259	\$ 39,643
Non-recurring revenue	31,814	21,955
<b>Total revenues</b>	<u>70,073</u>	<u>61,598</u>
<b>Cost of revenues</b>		
Recurring revenue	26,813	25,756
Non-recurring revenue	16,898	11,211
<b>Total cost of revenues</b>	<u>43,711</u>	<u>36,967</u>
<b>Gross profit</b>	26,362	24,631
<b>Operating expenses</b>		
Research and development	5,382	3,012
Selling, general and administrative	11,146	12,446
	<u>16,528</u>	<u>15,458</u>
<b>EBITDA</b>	9,834	9,173
Operating depreciation and amortization	3,939	2,014
Amortization of deferred stock compensation	1,102	732
Amortization of acquisition intangible assets	7,187	17,440
Restructuring and related impairment charges	172	12,140
Impairment of goodwill and other intangible assets	131,019	-
	<u>143,419</u>	<u>32,326</u>
<b>Loss from operations</b>	(133,585)	(23,153)
Interest income	356	375
Interest expense	(388)	(353)
<b>Loss before (provision for) benefit from income taxes</b>	(133,617)	(23,131)
(Provision for) benefit from income taxes	(2,976)	6,496
<b>Net loss</b>	<u>\$ (136,593)</u>	<u>\$ (16,635)</u>

**The TriZetto Group, Inc.**  
**Consolidated Statements of Operations**  
(unaudited and in thousands, except per share amounts)

	Twelve Months Ended December 31,	
	2002	2001
<b>Revenues</b>		
Recurring revenue	\$ 159,178	\$ 142,706
Non-recurring revenue	105,972	75,466
<b>Total revenues</b>	<u>265,150</u>	<u>218,172</u>
<b>Cost of revenues</b>		
Recurring revenue	114,509	103,854
Non-recurring revenue	63,311	42,806
<b>Total cost of revenues</b>	<u>177,820</u>	<u>146,660</u>
<b>Gross profit</b>	87,330	71,512
<b>Operating expenses</b>		
Research and development	21,911	16,402
Selling, general and administrative	53,966	51,938
Amortization of acquisition intangible assets	28,027	69,076
Restructuring and related impairment charges	651	12,140
Impairment of goodwill and intangible assets	131,019	-
<b>Total operating expenses</b>	<u>235,574</u>	<u>149,556</u>
<b>Loss from operations</b>	(148,244)	(78,044)
Interest income	1,609	2,048
Interest expense	(1,479)	(1,333)
<b>Loss before (provision for) benefit from income taxes</b>	(148,114)	(77,329)
(Provision for) benefit from income taxes	(250)	16,175
<b>Net loss</b>	<u>\$ (148,364)</u>	<u>\$ (61,154)</u>
<b>Net loss per share:</b>		
Basic and diluted	<u>\$ (3.28)</u>	<u>\$ (1.53)</u>
<b>Weighted average shares outstanding:</b>		
Basic and diluted	<u>45,256</u>	<u>40,094</u>
<b>Other financial data:</b>		
Pro forma net income (a)	\$ 14,252	\$ 6,837
EBITDA (b)	\$ 27,200	\$ 14,975
12-month backlog (c)	\$ 178,000	\$ 175,000
Total backlog (d)	\$ 588,000	\$ 623,000

See footnote definitions on following page.

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(unaudited and in thousands, except per share amounts)

- (a) The Company defines pro forma net income as earnings before amortization of acquisition intangibles and deferred stock compensation, restructuring and related impairment charges, impairment of goodwill and identified intangibles charges, and related taxes. Other companies may calculate pro forma earnings differently. Pro forma earnings is a non-GAAP measure of profitability. Pro forma net income should not be considered in isolation or as an alternative to net income or to cash flows from operating activities (as determined in accordance with generally accepted accounting principles) and should not be construed as an indicator of operating performance or as a measure of liquidity.

	<b>Twelve Months Ended December 31,</b>	
	<b>2002</b>	<b>2001</b>
Reconciliation of net loss to pro forma net income:		
Net loss	\$ (148,364)	\$ (61,154)
Amortization of acquisition intangibles and deferred stock compensation	30,980	72,108
Restructuring and related impairment charges	651	12,140
Impairment of goodwill and other intangible assets	131,019	-
Provision for/(benefit from) income taxes	250	(16,175)
Pro forma pre tax income	14,536	6,919
Pro forma income tax provision	284	82
Pro forma net income	\$ 14,252	\$ 6,837
Pro forma net income per share:		
Basic	\$ 0.31	\$ 0.17
Diluted	\$ 0.31	\$ 0.16
Pro forma weighted average shares outstanding:		
Basic	45,256	40,094
Diluted	46,528	42,073

- (b) The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization, restructuring and related impairment charges, amortization of deferred stock compensation and impairment of goodwill and other intangible assets. Total depreciation, amortization, restructuring and related impairment charges and impairment of goodwill and other intangible assets for the three months ended December 31, 2002 and 2001, were \$175,444 and \$93,019, respectively. Other companies may calculate EBITDA differently. EBITDA is a non-GAAP measure of profitability and is a widely accepted financial indicator of a company's ability to service debt. EBITDA should not be considered in isolation or as an alternative to net income or to cash flows from operating activities (as determined in accordance with generally accepted accounting principles) and should not be construed as an indicator of operating performance or as a measure of liquidity.
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**The TriZetto Group, Inc.**  
**Consolidated Statements of Operations**  
**EBITDA Presentation**  
(unaudited and in thousands, except per share amounts)

	<b>Twelve Months Ended December 31,</b>	
	<b>2002</b>	<b>2001</b>
<b>Revenues</b>		
Recurring revenue	\$ 159,178	\$ 142,706
Non-recurring revenue	105,972	75,466
<b>Total revenues</b>	<u>265,150</u>	<u>218,172</u>
<b>Cost of revenues</b>		
Recurring revenue	105,296	98,379
Non-recurring revenue	61,480	41,489
<b>Total cost of revenues</b>	<u>166,776</u>	<u>139,868</u>
<b>Gross profit</b>	98,374	78,304
<b>Operating expenses</b>		
Research and development	21,674	16,180
Selling, general and administrative	49,500	47,149
	<u>71,174</u>	<u>63,329</u>
<b>EBITDA</b>	27,200	14,975
Operating depreciation and amortization	12,794	8,771
Amortization of deferred stock compensation	2,953	3,032
Amortization of acquisition intangible assets	28,027	69,076
Restructuring and related impairment charges	651	12,140
Impairment of goodwill and other intangible assets	131,019	-
	<u>175,444</u>	<u>93,019</u>
<b>Loss from operations</b>	(148,244)	(78,044)
Interest income	1,609	2,048
Interest expense	(1,479)	(1,333)
	<u>(148,114)</u>	<u>(77,329)</u>
<b>Loss before (provision for) benefit from income taxes</b>	(148,114)	(77,329)
(Provision for) benefit from income taxes	(250)	16,175
	<u>(250)</u>	<u>16,175</u>
<b>Net loss</b>	<u>\$ (148,364)</u>	<u>\$ (61,154)</u>

**The TriZetto Group, Inc.**  
**Condensed Consolidated Balance Sheets**  
(unaudited and in thousands)

	<u>December 31,</u> <u>2002</u>	<u>December 31,</u> <u>2001</u>
<b>Assets</b>		
Current assets:		
Cash, restricted cash and investments	\$ 81,117	\$ 84,633
Accounts receivable, net	32,847	32,223
Prepaid expenses and other current assets	9,511	12,676
Total current assets	<u>123,475</u>	<u>129,532</u>
Property and equipment, net	42,307	34,867
Other assets	18,237	14,620
Goodwill and other intangible assets, net	53,977	211,702
<b>Total assets</b>	<u>\$ 237,996</u>	<u>\$ 390,721</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 10,757	\$ 8,109
Short-term note payables and capital lease obligations	17,921	19,607
Other accrued liabilities	52,466	55,671
Total current liabilities	<u>81,144</u>	<u>83,387</u>
Deferred taxes	-	13,751
Other long-term obligations	19,438	12,628
Total liabilities	<u>100,582</u>	<u>109,766</u>
Total stockholders' equity	<u>137,414</u>	<u>280,955</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 237,996</u>	<u>\$ 390,721</u>

**The TriZetto Group, Inc.**  
**Guidance - Q1 2003**  
(amounts in millions except for EPS)

	<b>Guidance Issued 1/14/03</b>	<b>Revised Guidance</b>
	<b>Q1 2003</b>	<b>Q1 2003</b>
<b>Recurring revenue</b>	53%-55%	53%-55%
<b>Non recurring revenue</b>	45%-47%	45%-47%
<b>Total Revenue</b>	\$65-\$69	\$65-\$69
<b>Gross margin</b>	34%	34%
<b>SG&amp;A</b>	19%	19%
<b>R&amp;D</b>	7%	7%
<b>EBITDA</b>	5.0 - 5.5	5.0 - 5.5
<b>Amort. Deferred Stock Comp</b>	0.7	0.7
<b>D&amp;A- Operations</b>	4.5	4.5
<b>Amort. Acq. Intangibles</b>	6.9	3.3
<b>Net Income/(Loss)</b>	(\$4.5) - (\$5.0)	(\$3.3) - (\$3.8)
<b>EPS</b>	(\$.09) - (\$.11)	(\$.07) - (\$.08)
<b>Pro forma net income</b>	\$.1 - \$.6	\$.1 - \$.6
<b>Pro forma EPS</b>	\$.00 - \$.01	\$.00 - \$.01
<b>Basic Weighted Shares o/s</b>	47,493	47,493
<b>Fully Diluted Weighted Shares o/s</b>	48,061	48,061
<b>Reconciliation of net loss to pro forma net income:</b>		
<b>Net loss</b>	(\$4.5) - (\$5.0)	(\$3.3) - (\$3.8)
Amortization of acquisition intangibles & deferred stock compensation	7.600	4.000
Provision for (benefit from) income taxes	(2.100)	0.300
Pro forma pre tax income	\$.4 - \$1	\$.4 - \$1
Pro forma income tax provision (40%)	.2 - .4	.2 - .4
<b>Pro forma net income</b>	\$.1 - \$.6	\$.1 - \$.6

The Company defines pro forma net income as earnings before amortization of acquisition intangibles and deferred stock compensation, restructuring and related impairment charges, impairment of goodwill and identified intangibles charges, and related taxes. Other companies may calculate pro forma earnings differently. Pro forma earnings is a non-GAAP measure of profitability. Pro forma net income should not be considered in isolation or as an alternative to net income or to cash flows from operating activities (as determined in accordance with generally accepted accounting principles) and should not be construed as an indicator of operating performance or as a measure of liquidity.

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**The TriZetto Group, Inc.**  
**Guidance - FY 2003**  
(amounts in millions except for EPS)

	<b>Guidance Issued 1/14/03 FY 2003</b>	<b>Revised Guidance FY 2003</b>
<b>Recurring revenue</b>	55%-57%	55%-57%
<b>Non recurring revenue</b>	43%-45%	43%-45%
<b>Total Revenue</b>	<u>\$300-\$315</u>	<u>\$300-\$315</u>
<b>Gross margin</b>	38%	38%
<b>SG&amp;A</b>	18%-19%	18%-19%
<b>R&amp;D</b>	<u>7%-8%</u>	<u>7%-8%</u>
<b>EBITDA</b>	34 - 36	34 - 36
<b>Amort. Deferred Stock Comp</b>	2.6	2.6
<b>D&amp;A- Operations</b>	20.377	20.377
<b>Amort. Acq. Intangibles</b>	<u>24.833</u>	<u>10.740</u>
<b>Net Income/(Loss)</b>	<u>(\$9) - (\$11)</u>	<u>(\$1.7) - \$.4</u>
<b>EPS</b>	<u>(\$.18) - (\$.22)</u>	<u>(\$.03) - \$.01</u>
<b>Pro forma net income</b>	<u>\$7.5 - \$9.5</u>	<u>\$7.5 - \$9.5</u>
<b>Pro forma EPS</b>	<u>\$.15 - \$.19</u>	<u>\$.15 - \$.19</u>
<b>Basic Weighted Shares o/s</b>	49,480	49,480
<b>Fully Diluted Weighted Shares o/s</b>	50,479	50,479
<b>Reconciliation of net loss to pro forma net income:</b>		
<b>Net loss</b>	(\$9) - (\$11)	(\$1.7) - \$.4
Amortization of acquisition intangibles & deferred stock compensation	27.433	13.340
Provision for (benefit from) income taxes	(3.000)	1.600
Pro forma pre tax income	\$13 - \$15	\$13 - \$15
Pro forma income tax provision (40%)	5 - 6	5 - 6
<b>Pro forma net income</b>	<u>\$7.5 - \$9.5</u>	<u>\$7.5 - \$9.5</u>

The Company defines pro forma net income as earnings before amortization of acquisition intangibles and deferred stock compensation, restructuring and related impairment charges, impairment of goodwill and identified intangibles charges, and related taxes. Other companies may calculate pro forma earnings differently. Pro forma earnings is a non-GAAP measure of profitability. Pro forma net income should not be considered in isolation or as an alternative to net income or to cash flows from operating activities (as determined in accordance with generally accepted accounting principles) and should not be construed as an indicator of operating performance or as a measure of liquidity.

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